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Japan

Fresh Deciduous Fruit

The 2004 Japanese Sweet Cherry Market - Production & Trade

2004

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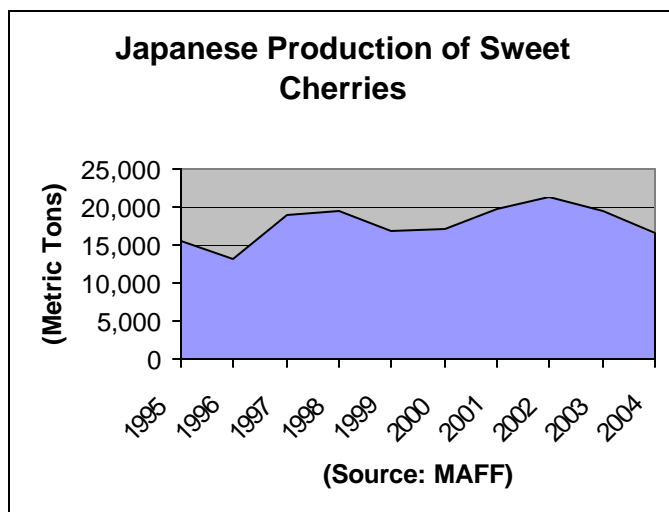
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Report Highlights:

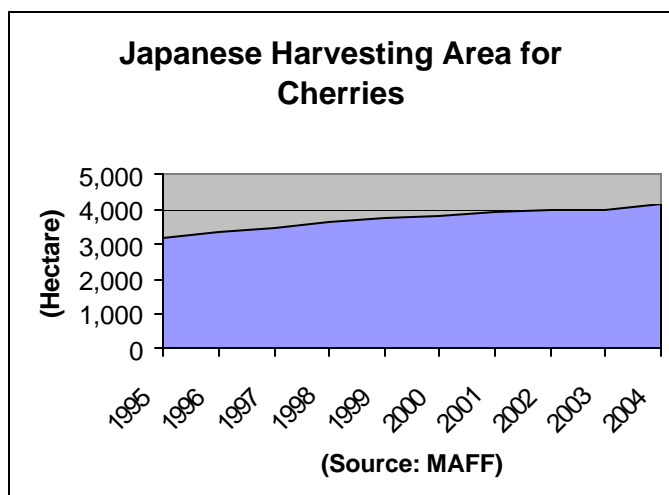
The 2004 Japanese sweet cherry production was estimated at 16,400 metric tons, down approximately 15 percent from the previous year due largely to cold temperatures and snowfall in the core production region of Yamagata prefecture in the early spring, according to the Ministry of Agriculture, Forestry and Fisheries (MAFF). The production area increased 5 percent from the previous season to 4,180 hectares. Japan imported 1.44 million cartons, or 13,074 metric tons, of U.S. sweet cherries in the 2004 season, down approximately 5.9 percent from the previous season, according to Japan Fresh Produce Import and Safety Association. California growers supplied 924,004 cartons of fresh cherries to Japan, down approximately 10.4 percent from the previous season, while Pacific Northwest (Washington and Oregon) supplied 513,000 cartons, up approximately 3.3 percent.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Tokyo [JA1]
[JA]

The 2004 Japanese Sweet Cherry Production was Down 15 Percent



The 2004 Japanese sweet cherry production was down 2,900 metric tons or 15 percent from the previous year to 16,400 metric tons due largely to cold temperatures and snowfall in the early spring, according to the Ministry of Agriculture, Forestry and Fisheries (MAFF). The production area increased 190 hectares or 5 percent from the previous season to 4,180 hectares.

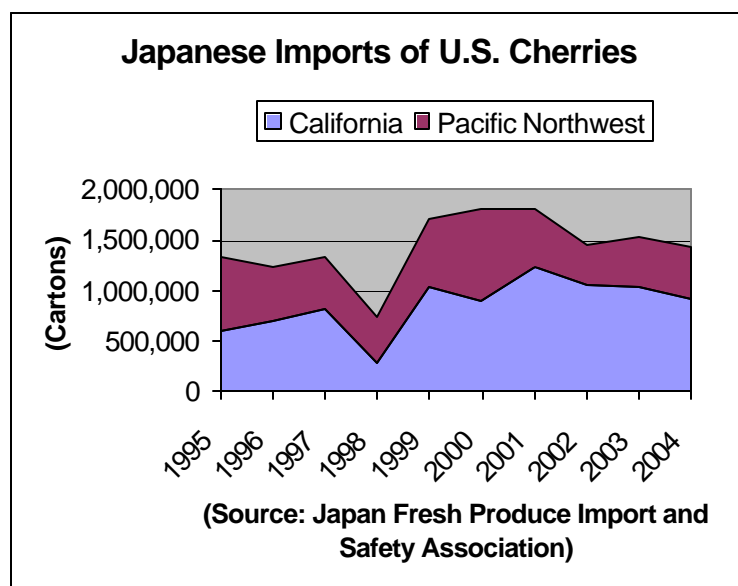


The cold temperatures, snowfall, and strong winds that hit the core production region in the early spring decreased fruit yields. The peak shipment of domestic cherries started in mid June and continued until early July. Despite the general trend of shrinking Japanese agriculture farmland, farmers expanded planting areas for cherries due to expectations of future growth in the Japanese cherry market. Yamagata prefecture, which is approximately 250 miles north of Tokyo, is the core growing area for Japanese cherries, producing approximately 66 percent of the nation's total production. The Satonishiki variety, a variety similar to Rainier cherries in the United States, is the number one produced variety in Japan, accounting for approximately 70 percent of total production. Dark sweet

cherry varieties such as Bing and Lambert are not grown commercially in Japan. Japan produces only sweet cherries and no tart cherries. Approximately 18 percent of the total production of fresh cherries in Japan are destined for canning. This amounts to approximately 3,000 metric tons.

Heavy rainfall that hit the Yamagata region in mid June made domestic cherry market prices significantly higher. At Tokyo's Ohta Wholesale Market, domestic cherries were trading at an average price of \$22.42 (2,463 yen) per kilogram, up approximately 28 percent from the same period last year. Yamagata prefecture "Satonishiki" cherries were in some cases trading at the Ohta Wholesale Market at \$47.80 (5,250 yen) per 1 KG case. Tokyo supermarkets sold domestic cherries at \$7.28 - \$8.19 (800 - 900 yen) for a plastic container of 200 grams. In late June during the peak of the domestic production season, the market price became stable, trading at \$16.63 - \$16.89 (1,827 - 1,855 yen) per kilogram at Tokyo's Wholesale Market.

The 2004 Japanese Imports of U.S. Sweet Cherries Down 5.9 Percent



Japan imported 1.44 million cartons or 13,074 metric tons of U.S. sweet cherries in the 2004 season, down approximately 5.9 percent from the previous season, according to Japan Fresh Produce Import and Safety Association. California growers supplied 924,004 cartons of sweet cherries to Japan (converted based on 20 lb cartons), down approximately 10.4 percent from the previous season, while Pacific Northwest (Washington and Oregon) supplied 513,000 cartons, up approximately 3.3 percent. California and Pacific Northwest growers supplied cherries in 18 and 20 lb cartons, respectively.

Japanese sales of U.S. cherries started on April 24, approximately one week earlier than the previous year, with California's Brooks variety followed by Tulare, Garnet and Bing varieties. California cherry shipments peaked in mid May and continued until June 10. In the beginning of the season, California cherries were trading at the premium price of \$173.02 (19,000 yen) for 18-LB carton at Tokyo's Ohta Wholesale Market. As supply increased in mid May prices became stable, trading at \$81.95 - \$91.06 (9,000 - 10,000 yen) per 18-LB carton. The sales of Pacific Northwest cherries started in early June with Chelen and Brooks varieties. Cherries from Pacific Northwest were trading at \$72.85 - \$91.06 (8,000 - 10,000 yen) per 20-LB carton and retailed at \$1.16 - \$1.77 (128 - 195 yen) per 100 grams at Tokyo's supermarket. Rainier variety cherries from the Pacific Northwest earned an excellent reputation with Japanese traders in terms of fruit flavor, fruit size and fruit quality. Rainier cherries were largely used as in Japan as a gift item.

U.S. Dominates Japan's Sweet Cherry Import Market

In 2003, U.S. producers held 99.13 percent of Japan's sweet cherry import market. U.S. exported 14,399 metric tons of sweet cherries to Japan, valued at \$93.86 million on a CIF basis. Chile held less than one percent of the market share, selling 124 metric tons of sweet cherries to Japan in November and December 2003. New Zealand sold 2.4 metric tons of sweet cherries in December 2003. Chile and New Zealand products do not compete with U.S. cherries in Japan since they come to the market in a different season.

PS&D Table			
Japanese Fresh Cherries			
	2003	2004	2005
	Revised	Estimate	Forecast
Market Year Begins (MM/YYYY)	01/2003	01/2004	01/2005
Area Planted (HA)	4,600	4,700	4,800
Area Harvested (HA)	3,990	4,070	4,100
Commercial Production (MT)	17,100	17,000	17,700
Non-Comm. Production (MT)	2,200	2,107	2,300
TOTAL Production (MT)	19,300	19,107	20,000
TOTAL Imports (MT)	14,525	16,760	16,800
TOTAL SUPPLY (MT)	33,825	35,867	36,800
Domestic Fresh Consumption (MT)	30,825	32,867	33,800
Exports, Fresh Only (MT)	0	0	0
For Processing (MT)	3,000	3,000	3,000
Withdrawal From Market (MT)	0	0	0
TOTAL UTILIZATION (MT)	33,825	35,867	36,800

Tokyo Wholesale Prices of Domestic Cherries			
(Prices in YEN per KG)			
	2002	2003	2004
Early May	5,844	6,529	6,522
Mid May	5,377	5,954	5,850
Late May	3,404	4,267	4,491
Early June	2,490	3,101	2,531
Mid June	1,894	1,919	2,463
Late June	1,339	1,699	1,827
Early July	1,353	1,578	1,855
Mid July	1,370	1,569	2,256
Late July	2,083	1,931	4,296
Exchange Rate: 109.81 Yen/US\$			
Date of Quote: 8/18/2004			
Source: MAFF			